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THE UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

Report of the Administrator

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I. PURPOSE

1. As requested by the Executive Board in its decision 95/18, the following progress report on the United Nations Development Fund for Women (UNIFEM) has been prepared by the Administrator in cooperation with the Director. Before outlining the steps taken to re-establish UNIFEM on a sound financial basis, the Administrator and the Director wish to acknowledge the guidance provided by the Board at its annual session and assure the members that UNDP and UNIFEM have followed the recommendations of the Board in decision 95/18 for all the corrective measures that have been taken. UNDP and UNIFEM further wish to assure the Board that the recommendations contained in the Management Letter of the Board of Auditors are also being implemented through these corrective actions.

II. ADDRESSING THE FINANCIAL SITUATION

2. In paragraph 2 of its decision 95/18, the Executive Board requested the Administrator and the Director of UNIFEM to report to the Board on the implementation of the Management Letter of the Board of Auditors. The recommendations of this letter call for: careful assessment of actual income levels and actual expenditures; caution with respect to new project approvals; and improvements in Fund management. Information on steps taken by UNIFEM corresponding to these recommendations is given in paragraphs 3-13.

3. In response to the need for full accountability of the Director of UNIFEM to the Administrator, regular monthly meetings between the Administrator and Director began in June 1995. In these meetings, a statement is provided to the Administrator detailing the movement of UNIFEM general resources with indications of year-to-date actual income and expenditure, projected income and expenditure for 1995, actual and projected balance of general resources year-to-date and for 1995, actual use of the overdraft facility and projected use of the overdraft facility at end of 1995.

4. Periodic internal reports have been instituted for the following items, as stated in paragraph 59 of document DP/1995/33: income and expenditure including administrative costs (monthly); outstanding advances to executing agencies (monthly); resource availability by source of funds; current and future commitments; pledges; actual contributions and receivables by source of funds, donor and by projects (quarterly). These reviews are under the personal charge of the Director of UNIFEM.

5. UNIFEM has continued to pursue a vigorous fund-raising strategy to secure contributions to general resources from both traditional and new donor Governments, the private sector and individual donors. The Fund wishes to express its grateful appreciation to all Governments that have provided contributions to UNIFEM in 1995 and looks forward to receiving remaining pledged amounts during the third and fourth quarters of 1995. As of 30 June 1995, actual income received for general resources in 1995 was $8,446,482. A further $4.8 million is expected on the basis of pledges and traditional contributions. In addition, the Governments of India, Japan, the Netherlands, New Zealand and

Switzerland have indicated supplementary contributions totalling over $3.5 million to UNIFEM in 1995, for which the Fund expresses its deepest appreciation. As of 30 June 1995 therefore, the revised total projected income for 1995 is $16.7 million. This is $5.1 million over the estimated projected income level of $11.6 million shown in table 3 of document DP/1995/33.

6. In paragraph 9 of its decision 95/18, the Executive Board requested the Administrator to explore possibilities for the assumption and/or co-financing of relevant UNIFEM projects by UNDP. In pursuance of that decision, as of 14 July 1995, approximately $279,536 is expected from UNDP funds for 1995 budgets. Negotiations are being pursued with UNDP and UNFPA to secure further co-financing for 11 other projects. In addition, amounts of $20,000 and $350,000 have been committed respectively by the Pan-American Health Organization and the Government of Luxembourg under cost-sharing arrangements in 1995. UNIFEM is most appreciative of this support.

7. As a result of the increased projected income and reduction of ongoing project budgets through budget reductions and co-financing, general resources at the end of 1995 now indicate a positive balance of $1.56 million. This is in contrast to the $4.46 million deficit projected earlier, as shown in the table below.

8. With respect to monitoring project expenditures, the update of financial data in the Budget Management System (BMS) has been completed. All mandatory budget revisions to rephase unspent allocations from 1994 to 1995 and beyond were completed in July 1995. As of 30 June 1995, project budgets recorded in the BMS amounted to $19.72 million. Of this amount, $1.93 million relates to subtrust funds projects; the remaining $17.79 million represents project budgets against general resources and is distributed in the years 1995 to 1998 in the amount of $12.59 million, $3.77 million, $1.37 million and $0.05 million respectively. These figures reflect a slight reduction from the total project budgets of $18.38 million presented in table 3 of document DP/1995/33. Based on these outstanding commitments and the fact that there are no approved pipeline projects, the operational reserve calculation as at 30 June 1995 would be $3.22 million. Cash reserves at the same date totalled $4.0 million.

9. In order to ensure that project expenditure does not exceed allocation, a shadow budget system to track expenditures has been institutionalized. Since mid-June, no disbursement or authorization for expenditure is certified for UNIFEM-executed projects unless they are recorded on a worksheet that details by budget line current-year allocation, previous and presently requested authorizations, year-to-date expenditure and budget-line balance.

10. As of mid-July, UNIFEM has not undertaken any new projects under general resources.

UNIFEM general resources projections a/

(In millions of dollars)

	1995 Original projection (table 3 of DP/1995/33)	1995 Revised projections
Opening balance	1.00	1.00
Projected income	11.60	16.70
Government contributions	11.10	16.10
Private donations	0.50	0.60
Projected expenditures	17.06	16.14
Projects:	13.39	12.47
Ongoing projects	12.86	11.94 b/
New projects	0.53	0.53
Administrative costs	3.05	3.05
Technical support costs	0.62	0.62
Balance of general resources	(4.46)	1.56

a/ This table deals with general resources. With regard to project funding from other resources, cost-sharing expenditure in 1995 is estimated at $5.75 million. The balance of cost-sharing funds at the end of 1995 is estimated at $0.28 million. For subtrust funds, expenditures are estimated at $2.10 million in 1995, leaving a balance of $0.30 million at year-end.

b/ This figure has been reduced by $0.65 million from the figure given in table 3 of document DP/1995/33, on the basis of co-financing received or firmly committed. This figure also includes $0.27 million which has been reduced from the budgets of ongoing projects.

11. As a further step towards improved financial management, all UNIFEM Professional and General Service staff at headquarters were trained on the BMS in June. An intensive course on financial monitoring and review throughout the project cycle was also held. This was based on detailed guidelines underscoring actions required throughout the project cycle, the designation of staff responsible for each step, and the appropriate timeline for all actions. Training on project management will also be provided to project staff in UNIFEM programme countries.

12. Actions have been initiated to evaluate the functionality of the BMS and to define the requirements for migration to the Project Financial Management System (PFMS). UNDP Division for Administrative and Information Services (DAIS) in the Bureau for Finance and Administration has agreed to participate in the evaluation and to provide basic technical support to UNIFEM regarding such migration.

13. As a result of strict monitoring on income and expenditure, expenditures on both administrative costs and technical support costs are in line with the reduction indicated in paragraph 72 of document DP/1995/33. As of 30 June 1995, actual expenditure incurred on administrative costs and technical support costs represented 43 and 55 per cent respectively of the 1995 reduced budgets.

14. UNIFEM will report to the Executive Board on further adjustments to the administrative budget (beyond the freezing of the four posts already planned) once the implications of the Fourth World Conference on Women and the external evaluation is known. The Director appreciates the understanding of the Executive Board of the need for UNIFEM to retain a critical capacity, as recognized in decision 95/18.

15. In response to Executive Board decision 95/18, the Administrator wishes to report that further investigations have confirmed that the drawdown of the operational reserve in 1994 was due to the lapses in managerial and financial controls in UNIFEM, and the fact that the Bureau of Finance and Administration in UNDP neither had the measures in place, nor took a proactive role in its relationship with UNIFEM, to ensure that the latter's reporting responsibilities on its financial situation were properly followed.

16. The special panel of management convened by the Administrator has completed its review of the issues involving managerial accountability. Based on the panel's recommendations, the Administrator is taking appropriate measures and in pursuance of paragraph 13 of Executive Board decision 95/18 will inform the members of the Board accordingly.

III. UNDP/UNIFEM INTERFACE

17. A UNDP/DOF Finance Officer, who reports to both UNIFEM and UNDP/BFA, was outposted to UNIFEM on 7 June 1995. UNDP has also made available the services of a Senior Bureau Finance Officer to assist the outposted officer. As indicated elsewhere in the present report, initial actions have already been completed in several areas. In addition, the services offered to UNIFEM by UNDP will benefit from the further consolidation of the control functions of all programme and project funds into one unit in DOF that will report directly to the Director of Finance; this will be without prejudice to the managerial responsibilities and accountability of the respective fund managers and will not affect the legislative status of the Funds (see para. 94 of DP/1995/51).

18. With respect to close liaison between UNIFEM and UNDP/BFA, the first quarterly meeting between UNDP/DOF and UNIFEM was held in June 1995 to review the financial statements of 31 December 1994, received on 31 May 1995, and the related comments by UNDP/DOF. Required actions regarding outstanding advances

to executing agencies, cost-sharing and subtrust fund resources, and statements of unspent allocations were discussed, agreed on and are being implemented.

IV. EXTERNAL EVALUATION OF UNIFEM

19. In its decision 95/10 of 7 April 1995, the Executive Board called for an external evaluation of UNIFEM. At an informal meeting held during its annual session 1995, the Board reviewed the draft terms of reference for the external evaluation of UNIFEM, and requested that further information on the external evaluation be submitted at the third regular session 1995. In accordance with that request, the proposed scope of the evaluation, methodology, composition of the evaluation team, timetable and estimated budget are provided below.

A. Background

20. Paragraph 9 of the annex to General Assembly resolution 39/125 states that "The resources of the Fund shall be used mainly within two priority areas: first, to serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stages; secondly to support innovative and experimental activities benefiting women in line with national and regional priorities." Through this mandate, the UNIFEM thrust is:

(a) To advocate for women's concerns and to catalyse other agencies in the United Nations system, development organizations and Governments to address these concerns; and

(b) To support innovative activities, with women's full participation, and, by demonstrating their effectiveness, to attract mainstream agencies to adopt and integrate them in their development programmes.

21. During its second regular session 1995, the Executive Board of UNDP and UNFPA was informed of the financial situation facing UNIFEM. As a result of the ensuing deliberations, the Board, in its decision 95/10, decided to consider the terms of reference and means of financing for an external evaluation of UNIFEM. Given the primary emphasis of both the internal and external audits on the financial situation, it is proposed that the external evaluation focus on programmes, impact and future directions of the Fund. Consequently, the review would cover programmes and project initiatives; the advocacy role of UNIFEM and its impact; and management policies and systems. In addition, the evaluation would, wherever deemed appropriate, also appraise financial aspects and issues as related to programme management and implementation. Field staff as well as key partners and beneficiaries would be consulted in addition to Headquarters staff.

B. Objectives

22. It is proposed that the evaluation undertake the following:

(a) Assess the overall efficiency, impact and sustainability of programme activities in fulfilling the Fund's mandate;

(b) Assess institutional capacity and structure of the Fund vis-à-vis resource utilization, programme delivery and management;

(c) Recommend new directions in light of the UNIFEM role in the empowerment of women, the outcomes of United Nations World Conferences, in particular the Fourth World Conference on Women, and the findings of the evaluation study.

C. Scope of the evaluation

23. It is proposed that the evaluation focus primarily on programming aspects and issues, and secondarily on management policies and systems. The areas of concern will include: (a) programme strategies; (b) programme performance; (c) advocacy; and (d) management. Specific issues to be addressed under each of these categories are as follows:

1. Programme strategies

24. The key issue areas for the assessment of programme strategies are:

(a) Extent to which UNIFEM strategies succeed in fulfilling the Fund's mandate and in meeting the needs of women in developing countries;

(b) Ability of UNIFEM to incorporate in its strategies crucial issues confronting women;

(c) Adequacy of UNIFEM resources to enable it to implement its strategies.

2. Programme performance

25. Given the importance of UNIFEM work, particularly in terms of meeting women's practical and strategic needs and in terms of empowering women, the key issue areas for assessment of programme performance are:

(a) Quality of programme implementation, including monitoring mechanisms, constraints, and technical backstopping;

(b) Extent to which UNIFEM support to women's groups, networks and coalitions have strengthened the capacity of these groups to contribute to women's empowerment and gender-sensitive development;

(c) Capacity of non-governmental organizations (NGOs) implementing UNIFEM programmes to comply with reporting requirements;

(d) Effectiveness of initiatives aimed at mainstreaming gender concerns, particularly those meant to bring about gender-sensitive development planning;

(e) Sustainability of UNIFEM interventions in the context of constraints and problems that particularly affect women in developing countries and women living in poverty;

(f) Availability of technical and sectoral expertise in terms of programme development and implementation.

3. Advocacy

26. Given the UNIFEM mandate to advocate for the participation of women in development at global, regional and national levels, the key issue areas for assessment are:

(a) Extent to which UNIFEM has helped in increasing awareness of gender issues by influencing the agenda of international conferences and by working with regional and international organizations;

(b) Impact of the "brokering" role of UNIFEM in terms of assisting women's groups to influence national policies and programmes;

(c) Catalytic impact of advocacy for women's and gender issues in the context of resource limitations and time constraints;

(d) Adequacy of advocacy tools used, including impact of documentation and dissemination of experiences in working with women.

4. Management

27. The key issue areas for the assessment of management are:

(a) Effectiveness of reporting, administrative and financial systems for programme management;

(b) UNIFEM organizational structure vis-à-vis clear and direct lines of authority, responsibility, communication, and accountability among staff.

D. Methodology

28. It is proposed that the evaluation of UNIFEM take place in three phases. The first phase would focus on analysis of key documents and preliminary meetings, with site visits and interviews to take place in the second phase. The third phase would entail a final round of interviews with headquarters staff and finalization of the evaluation report.

Phase 1: New York

29. The first phase would consist of the following:

(a) Introductory meetings. Briefing on UNIFEM organizational matters, including historical overview, mandate and mission; overview of operational matters including management and administration; programme development and management systems. These meetings will include key UNDP senior management staff;

(b) Document review. Review of key documents, including policy, programme and project-related documents, as well as any relevant documents, such as key thematic evaluations and publications that demonstrate UNIFEM experience in working with women;

(c) Sample identification. Criteria for selection of sample to be developed after review of documents; countries/projects to be visited, including key people to be interviewed and questionnaire administered to others that cannot be visited; programme sample representing range of key sectors in which UNIFEM works, including advocacy initiatives; management sample, including policies and systems;

(d) Interviews. Initial round of interviews with select number of staff, both individually and in groups, as appropriate.

Phase 2: Field

30. The second phase would consist of the following:

(a) Site visits. For countries to be determined during phase 1. Visit actual project sites to meet participants as well as staff from implementing agencies. Interview sample to include UNIFEM advisers, staff from collaborating agencies, UNDP and national ministries as well as other relevant organizations with which UNIFEM works;

(b) Report to be drafted and circulated for initial feedback.

Phase 3: New York

31. The third phase would consist of:

(a) Interviews with staff from UNIFEM and UNDP, the United Nations Population Fund, United Nations Children's Fund and any other agencies in New York;

(b) Finalization and submission of report to respective focal points.

E. Composition of the evaluation team

32. Given the scope of the evaluation, a minimum of four people would be needed. Considering the mandate and mission of UNIFEM it is expected that all

members of the team will be familiar with gender issues and that this is an essential aspect of their technical specialties.

33. The team leader should be a women-in-development/gender-in-development specialist with substantive as well as operational experience in designing programmes for women in developing countries. Experience in implementing gender-sensitive development planning and institution-building is essential. Expertise in evaluation methodology, design and implementation, particularly in relation to programme performance, capacity-building and impact assessment, is necessary. It is expected that the team leader will have an academic background in an international development-related discipline.

34. The second member of the team should be a development economist and have experience with women's economic empowerment at both micro and macro levels. Experience with the promotion of women's commercial activities is essential.

35. The third member of the team should have a background in the social sciences with experience in building women's capacity in areas of leadership and political empowerment. Familiarity with issues of governance at the national and international levels, as well as experience with women's machineries and women's NGOs, is necessary.

36. The fourth member of the team should have a background in organizational development and management. Experience in working with development agencies, particularly United Nations agencies, and knowledge of issues related to the delivery of development assistance and assessing programme management policies and systems is essential.

F. Timetable

37. In order to ensure that UNIFEM is able to act on the critical recommendations emanating from the Fourth World Conference on Women, it is proposed that the external evaluation should commence as soon as possible and no later than 15 November 1995. By this date it will be possible to complete preparatory work and establish the management process for the evaluation. Given the expected duration of the evaluation, it is anticipated that the final report of the external evaluation will be available by the end of February 1996.

38. The following implementation timetable is proposed:

New York:	Phase 1:	briefing, review of documents	2 weeks
		interviews with key staff	1 week
Field:	Phase 2:	interviews with beneficiaries and partners, and UNIFEM regional programme advisers	6 weeks
New York:	Phase 3:	remainder of interviews with staff and finalization of report	2 weeks

G. Estimated budget

39. Based on a team of four people, the estimated costs are shown below:

Item	$
Fees and per diem	138 000
2 consultants x 400 x 85 days	
2 consultants x 250 x 80 days	
Travel	50 000
6 countries	
Reporting costs	5 000
Report preparation, mailing and distribution	
Total	193 000

40. In line with the announcements of some delegations at the annual session, it is anticipated that the costs of the evaluation will be met through contributions from members of the Executive Board.

V. EXECUTIVE BOARD ACTION

41. The Executive Board may wish to:

(a) Take note of the present report;

(b) Approve the proposed objectives, scope of evaluation, methodology, composition of the evaluation, timetable and estimated budget for the external evaluation;

(c) Invite members to pledge contributions towards the costs of the external evaluation.